

Schedule 13
Change Request for FY 07-08 Budget Request Cycle

Request Title: ☐ Decision Item FY 08-09 ☐ Base Reduction Item FY 08-09 ☒ Supplemental FY 07-08 ☒ Budget Request Amendment FY 08-09

Department: Purchase of Contract Placements
Human Services - Office of Children, Youth and
Family Services - Division of Youth Corrections

Priority Number: S-11

Dept. Approval by: *[Signature]*
OSPB Approval: *[Signature]*

Date: 2/12/08
Date: 2/19/08

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|--------------|----------------------------------|---------------------------|-------------------------------------|---|-----------------------------|--|-----------------------------------|---------------------------------|---|---|
| | Fund | Prior-Year Actual FY 06-07 | Appropriation FY 07-08 | Supplemental Request FY 07-08 | Total Revised Request FY 07-08 | Base Request FY 08-09 | Decision/ Base Reduction FY 08-09 | November 1 Request FY 08-09 | Budget Amendment FY 08-09 | Total Revised Request FY 08-09 | Change from Base (Column 5) FY 09-10 |
| Total of All Line Items | Total | 54,441,858 | 58,156,321 | (7,530,923) | 50,625,398 | 57,999,021 | 1,759,946 | 59,758,967 | (1,759,946) | 57,999,021 | 0 |
| | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | GF | 50,731,935 | 54,296,693 | (6,377,449) | 47,919,244 | 54,155,171 | 1,718,738 | 55,873,909 | (1,718,738) | 54,155,171 | 0 |
| | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE | 2,647,931 | 2,778,796 | (971,962) | 1,806,834 | 2,765,928 | 41,208 | 2,807,136 | (41,208) | 2,765,928 | 0 |
| | FF | 1,061,992 | 1,080,832 | (181,512) | 899,320 | 1,077,922 | 0 | 1,077,922 | 0 | 1,077,922 | 0 |
| | MCF | 2,647,931 | 2,778,796 | (971,962) | 1,806,834 | 2,765,928 | 41,208 | 2,807,136 | (41,208) | 2,765,928 | 0 |
| | MGF | 1,323,966 | 1,389,398 | (485,981) | 903,417 | 1,382,964 | 20,604 | 1,403,568 | (20,604) | 1,382,964 | 0 |
| | NGF | 52,055,901 | 55,686,091 | (6,863,430) | 48,822,661 | 55,538,135 | 1,739,342 | 57,277,477 | (1,739,342) | 55,538,135 | 0 |
| (11) DIVISION OF YOUTH CORRECTIONS | Total | 51,131,337 | 54,786,665 | (9,297,189) | 45,489,476 | 54,638,436 | 1,759,946 | 56,398,382 | (1,759,946) | 54,638,436 | 0 |
| (C) Community | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Programs | GF | 48,483,406 | 52,007,869 | (8,325,227) | 43,682,642 | 51,872,508 | 1,718,738 | 53,591,246 | (1,718,738) | 51,872,508 | 0 |
| Purchase of Contract | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Placements | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE | 2,647,931 | 2,778,796 | (971,962) | 1,806,834 | 2,765,928 | 41,208 | 2,807,136 | (41,208) | 2,765,928 | 0 |
| | FF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MCF | 2,647,931 | 2,778,796 | (971,962) | 1,806,834 | 2,765,928 | 41,208 | 2,807,136 | (41,208) | 2,765,928 | 0 |
| | MGF | 1,323,966 | 1,389,398 | (485,981) | 903,417 | 1,382,964 | 20,604 | 1,403,568 | (20,604) | 1,382,964 | 0 |
| | NGF | 49,807,372 | 53,397,267 | (8,811,208) | 44,586,059 | 53,255,472 | 1,739,342 | 54,994,814 | (1,739,342) | 53,255,472 | 0 |
| (11) DIVISION OF YOUTH CORRECTIONS | Total | 3,310,521 | 3,369,656 | 1,766,266 | 5,135,922 | 3,360,585 | 0 | 3,360,585 | 0 | 3,360,585 | 0 |
| (C) Community | FTE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Programs | GF | 2,248,529 | 2,288,824 | 1,947,778 | 4,236,602 | 2,282,663 | 0 | 2,282,663 | 0 | 2,282,663 | 0 |
| Parole Program | GFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Services | CF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | CFE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | FF | 1,061,992 | 1,080,832 | (181,512) | 899,320 | 1,077,922 | 0 | 1,077,922 | 0 | 1,077,922 | 0 |
| | MCF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | MGF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | NGF | 2,248,529 | 2,288,824 | 1,947,778 | 4,236,602 | 2,282,663 | 0 | 2,282,663 | 0 | 2,282,663 | 0 |

Schedule 13
Change Request for FY 07-08 Budget Request Cycle

Request Title: Decision Item FY 08-09 ☐ Base Reduction Item FY 08-09 ☐ Supplemental FY 07-08 ☒ Budget Request Amendment FY 08-09 ☒
 Department: Purchase of Contract Placements
 Human Services - Office of Children, Youth and
 Family Services - Division of Youth Corrections
 Priority Number: S-11
 Dept. Approval by: _____ Date: _____
 OSPB Approval: _____ Date: _____

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|------|----------------------------------|---------------------------|-------------------------------------|---|-----------------------------|--|-----------------------------------|---------------------------------|---|---|
| | Fund | Prior-Year Actual FY 06-07 | Appropriation FY 07-08 | Supplemental Request FY 07-08 | Total Revised Request FY 07-08 | Base Request FY 08-09 | Decision/ Base Reduction FY 08-09 | November 1 Request FY 08-09 | Budget Amendment FY 08-09 | Total Revised Request FY 08-09 | Change from Base (Column 5) FY 09-10 |

Letternote revised text:

Cash Fund name/number, Federal Fund Grant name: Title IV-E

IT Request: ☐ Yes ☒ No

Request Affects Other Departments: ☒ Yes ☐ No If Yes, List Other Departments Here: Department of Health Care Policy & Financing

reflect both year, change dollar amounts

CHANGE REQUEST for FY 07-08 and FY 08-09 BUDGET REQUEST CYCLE

| | |
|-----------------------|---|
| Department: | Human Services – Office of Children, Youth and Family Services – Division of Youth Corrections |
| Priority Number: | S-11 |
| Change Request Title: | Purchase of Contract Placements |

SELECT ONE (click on box):

- ☐ Decision Item FY 08-09
- ☐ Base Reduction Item FY 08-09
- ☒ Supplemental Request FY 07-08
- ☒ Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- ☐ Not a Supplemental or Budget Request Amendment
- ☐ An emergency
- ☐ A technical error which has a substantial effect on the operation of the program
- ☒ New data resulting in substantial changes in funding needs
- ☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Division of Youth Corrections (DYC) FY 2007-08 Purchase of Contracts Placements appropriation is based upon the December 2006 Legislative Council Staff (LCS) population projections for committed youth. LCS released new commitment projections in December 2007. The Division is requesting to align the FY 2007-08 appropriation with the new LCS projections, returning \$ 6,863,430 net general fund to the state, and to continue funding support for the Division's Continuum of Care Initiative granted through the funding flexibility authorized in S.B. 07-239 footnote #86. This request will make an adjustment to align the Division's Purchase of Contract Placements FY 2007-08 appropriation based on the revised December 2007 LCS commitment projections. In addition, this request will adjust the Division's FY 2007-08 Purchase of Contracts Placement appropriation and Parole Program Services appropriation based on:

- 1) The fiscal impact of negotiated daily rates for contract residential placements; resulting from the major residential services RFP the Division recently completed;

- 2) The transfer of \$1,766,266 from the Purchase of Contracts Placements appropriation to the Parole Program Services appropriation for FY 2007-08 to continue a stable source of funding to support the Division's Continuum of Care Initiative;
- 3) Re-alignment of the current residential placement bed mix between RCCF, PRTF, and TRCCF placement types and associated funding, and the reduction of 46 state-operated commitment beds at the Lookout Mountain Youth Services Center (LMYSC) and a corresponding increase of 46 staff secure contract commitment beds to maintain the Division's current commitment capacity.
- 4) Adjust Title IV-E funding in the Parole Program Services appropriation to match expected federal reimbursement in FY 2007-08.

The FY 2008-09 Budget Amendment portion of the request is to reduce the Division of Youth Corrections November 1, 2007 budget request by \$1,759,946, \$1,718,738 GF and \$41,208 MCF for the Purchase of Contracts Placement line item. This request maintains the existing 2007-08 base appropriation level and assumes that contract placement need will be managed within the existing level of resources and will allow the Division to continue investing in system reform in FY 2008-09 while working with the Office of State Planning and Budgeting, (OSPB) and the Joint Budget Committee (JBC) to develop a long-term funding strategy for the Division that enables the continuation and expansion of positive systemic changes that improve services to children, youth, and families, including the Continuum of Care Initiative.

Background and Appropriation History:

The primary statutory mandates of the Division of Youth Corrections are to ensure the public safety and provide rehabilitative services to youth in order to prevent further delinquent behaviors and thus reduce recidivism – a key element of Governor Ritter's "Colorado Promise." The commitment of certain youth for delinquent behaviors, as well as supervision of youth while on parole, is essential to maintaining the public safety. In addition, the Division seeks to provide services that address the specific social, educational, medical, mental health, substance abuse, and other offense-specific treatment needs of youth to maximize their ability to rejoin society as responsible,

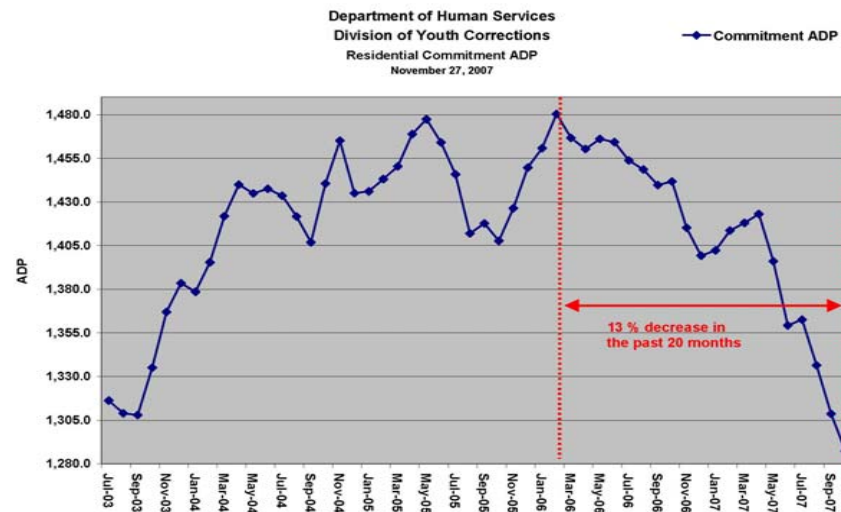
contributing members. This is essential to maintaining public safety in the long run, as previous offenders become contributing citizens in their communities.

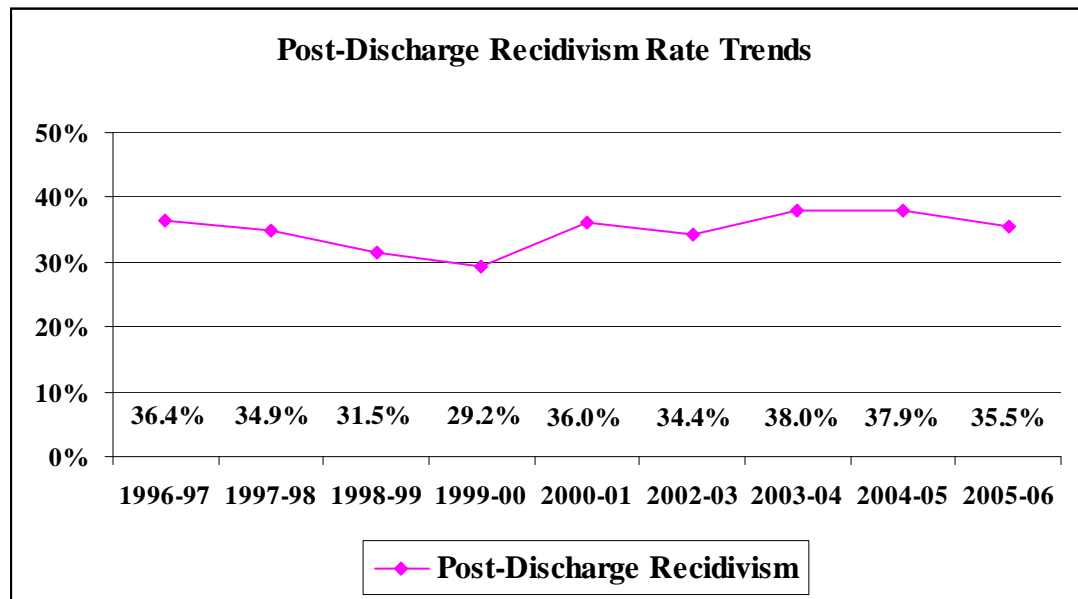
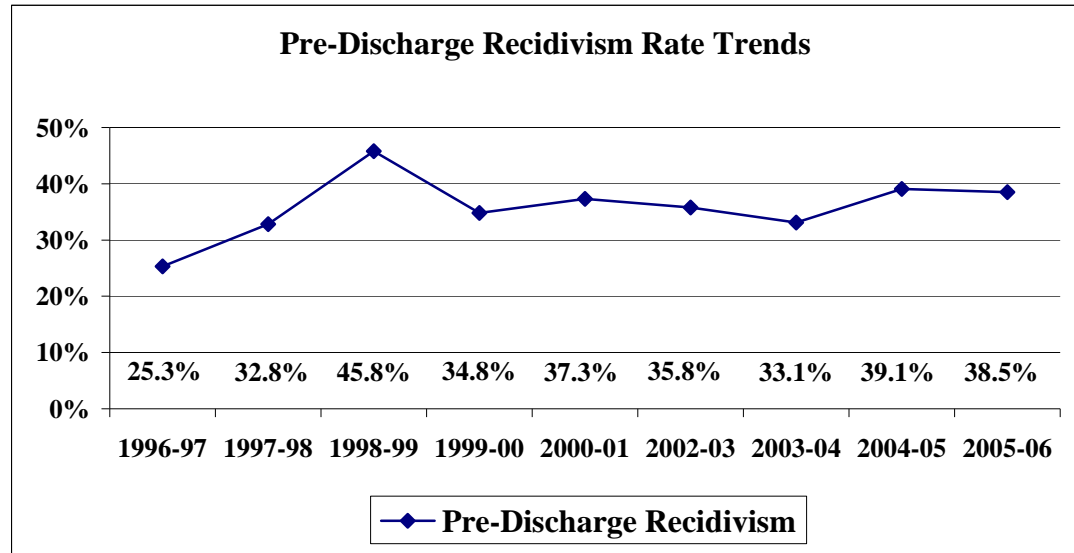
The Division, as part of its ongoing efforts to systematically pursue and utilize the most advanced strategies available for juvenile rehabilitation, launched the Continuum of Care Initiative in Spring 2006. The initiative is based on principles of effective juvenile justice strategy that have been proven through research and practice. These principles include an integrated strategy involving state-of-the-art assessment, enhanced treatment services within residential facilities, and improved transitions to appropriate community-based services. The Division made a commitment to examine and realign internal operational practices to be more consistent with the principles of evidence-based practice and a broader array of interventions that have the most research support for being effective in reducing recidivism and re-victimization by juvenile offenders. As part of this strategy, the Continuum of Care Initiative seeks to provide the optimal length of service in each stage of the continuum as juvenile offenders move from secure residential to community-based parole services. In order to ensure accurate and targeted information to support individualized case planning, the Division identified a state-of-the-art, empirically based risk assessment instrument (the Washington State Juvenile Risk Assessment) modified and renamed the Colorado Juvenile Risk Assessment (CJRA) for use in Colorado.

The Division's annual recidivism report to the General Assembly submitted in January 2008 pursuant to Long Bill footnote #84, as well as the evaluation of the Continuum of Care's first year of implementation pursuant to Long Bill footnote #86, documented important indicators of successful program implementation. The initiative is producing positive outcomes. Examples of these positive outcomes include:

- ◆ An unprecedented 13% reduction in the commitment ADP (graph below).
- ◆ A more than 16% reduction in the number of recommitments.
- ◆ A 6.3% reduction in the post-discharge recidivism rate (graph below).
- ◆ A 1.5% reduction in the pre-discharge recidivism rate (graph below).
- ◆ The elimination of overcrowding in state-operated commitment facilities.
- ◆ The closure of two dangerous open-barracks style housing units located at the Lookout Mountain Youth Services Center (46 beds).

These positive outcomes are in turn providing the state with an opportunity to re-invest in the system of care and produce even better outcomes in the future without additional General Fund resources. The data gathered from the first year of the Continuum of Care Initiative shows that DYC has put into place the tools necessary to create a significant system-wide change. The full range of outcomes is comprehensive and substantially contributes to societal goals. Society benefits through reduced juvenile crime rates against persons and property. The families and youth benefit by gaining skills and overcoming problems that enable them to independently care for themselves and contribute to society. The State of Colorado benefits through avoidance of future expenditures on juvenile and adult correctional facilities and services, as well as reduced expenditures on welfare and increased revenues as these youth become job-holding, tax-paying citizens.





The Division's Purchase of Contract Placements appropriation funds an array of residential placement services for youth requiring secure, staff supervised, and non-secure residential placement services. Secure residential placement services are provided for youth who require a secure locked facility environment. Staff supervised placements are provided in staff-secure facilities in both institutional and community settings. Non-secure residential services are provided for youth transitioning to the community after release from institutional settings, and for committed youth who have been assessed as appropriate for placement in a community residential setting. Currently, the Division of Youth Corrections contracts with over 22 organizations which provide staff-supervised commitment services and with more than 31 organizations that provide non-secure community residential services to youth who are under the jurisdiction of the DYC. In FY 2007-08, the Division relies upon private contractors for approximately 65% of its total commitment capacity.

Footnote #86 of the FY 2007-08 Long Bill (S.B. 07-239) provides the Division with the flexibility to use up to 15% of the Purchase of Contract Placements appropriation to develop, implement, and expand transition, treatment, and wraparound services to youth in the DYC system. The Division has used this flexibility to implement the Continuum of Care (CoC) Initiative. In FY 2006-07, the Division requested, and the General Assembly approved, a supplemental transfer of approximately \$ 1.9 million from the Purchase of Contract Placements appropriation to the DYC Parole Program Services appropriation to establish a stable source of funding for the CoC Initiative.

Another consideration in this appropriation relates to the daily rate paid to vendors. Rates reflect the level of security and programming provided and are determined through competitive procurement processes or are mandated through the Division of Child Welfare rate setting process (for PRTF placements). The majority of the Division's five-year residential placement contracts with private providers expired September 30, 2007. The Division issued a Request for Proposal in accordance with state procurement requirements, received new proposals from vendors, and completed contract negotiations, including negotiation of new daily rates and contracts effective October 1, 2007. The

impact of new provider rates was an overall average rate increase of 3.8% above appropriated rates.

| Purchase of Contract Placements Major Program and Funding Changes | | |
|--|---------------|---------------|
| | Total Funds | NGF |
| FY 2005-06: | | |
| Appropriation adjusted to accommodate growth, bed mix, and rate changes. | \$3,368,690 | \$2,806,708 |
| Received 2% Provider Rate Increase. | \$990,264 | \$844,763 |
| Flexibility Footnote added to allow up to 10% of general fund for treatment and transition services in residential and non-residential settings and the Division began the Continuum of Care Initiative. | N/A | N/A |
| Supplemental reduction to reflect revised Legislative Council Staff population projections. | (\$2,168,794) | (\$1,800,204) |

| Purchase of Contract Placements Major Program and Funding Changes | | |
|--|--------------|--------------|
| | Total Funds | NGF |
| FY 2006-07: | | |
| Appropriation adjusted to accommodate growth, bed mix, and rate changes, including the opening of the new Sol Vista Youth Services Center in Pueblo. | \$ 106,903 | (\$23,766) |
| Received 3.25% Provider Rate Increase. | \$ 1,675,060 | \$ 1,638,134 |
| Redesign of the RTC system to the TRCCF system and the enactment of H.B. 06-1395 (PRTF) required re-financing of the appropriation from 29.4% Medicaid and | \$ 929,936 | \$ 7,344,989 |

| Purchase of Contract Placements Major Program and Funding Changes | | |
|---|------------|------------|
| 70.6% General Fund to 7% Medicaid and 93% General Fund | | |
| Supplemental approved to transfer \$ 1.9 million to the Parole Program Services appropriation for the Continuum of Care Initiative. | N/A | N/A |
| | | |
| FY 2007-08: | | |
| Appropriation adjusted to accommodate growth, bed mix, leap year, and rate changes and the annualization of the Sol Vista Youth Services Center capacity and H.B. 06-1395 (PRTF). | \$ 761,761 | \$565,961 |
| Received 1.5% Provider Rate Increase | \$ 809,549 | \$ 789,070 |
| Flexibility Footnote was adjusted to allow up to 15% of general fund for treatment and transition services in residential and non-residential settings. | N/A | N/A |

The Parole Program Services appropriation historically provided for the non-residential services and needs of youth on parole. With the implementation of the Continuum of Care Initiative, and the FY 2006-07 supplemental transfer of funds from the Purchase of Contract Placements appropriation, this appropriation now supports treatment, transition and wraparound services to youth in residential and non-residential settings. The Parole Program Services appropriation is partially financed through federal Title IV-E revenue. Actual federal reimbursement is projected to be below the appropriated amount by \$181,512.

General Description of Request:

FY 2007-08 Supplemental Request:

The FY 2007-08 supplemental request makes adjustments to the Division of Youth Corrections' (DYC) Purchase of Contracts Placements and Parole Program Services appropriations to reflect the impacts of the Division's Continuum of Care Initiative as well as the December 2007 Legislative Council Staff (LCS) juvenile commitment population projections. Specifically, the request seeks to:

- 1) Adjust the FY 2007-08 Purchase of Contracts Placement appropriation based on the December 2007 Legislative Council Staff (LCS) juvenile commitment population projections;
- 2) Adjust the Purchase of Contract Placement appropriation to reflect FY 2007-08 actual average weighted rates and the Division's bed mix proportions for PRTF, TRCCF, and RCCF bed utilization;
- 3) Replace \$ 181,512 of federal Title IV-E funding in the Parole Program Services appropriation with general fund to match expected federal reimbursement; and
- 4) Return \$ 6,863,430 net General Fund to help support other needs in State government.

The Division plans to transfer \$1,766,266 General Fund (GF) from the Purchase of Contracts Placements appropriation to the Parole Program Services appropriation for FY 2007-08 to continue to provide funding for the Division's Continuum of Care Initiative based Footnote #86 of the FY 2007-08 Long Bill (S.B. 07-239) which provides the Division with the flexibility to use up to 15% of the Purchase of Contract Placements appropriation.

The December 2007 Legislative Council Staff (LCS) juvenile commitment population projections indicate that the DYC commitment population will total 1,275 Average Daily Population (ADP) in FY 2007-08. The December 2007 projection is 214.4 ADP lower, respectively, than the December 2006 LCS projection for the same fiscal year timeframe. The December 2006 LCS projection identified the Division's Continuum of Care Initiative as a significant factor influencing commitment populations downward. LCS states "...the on-going impact of the Continuum of Care Initiative (has) served to lower the forecast from a year ago." The LCS December 2007 projections state that "continued and consistent funding" of the Division's Continuum of Care Initiative "is expected to

reduce growth in commitments, particularly in the near term.” The Division believes that the reduction in actual FY 2007-08 commitment ADP from the prior year, and the reduction in projected commitment ADP is a result of the Division’s Continuum of Care Initiative, as well as other factors, including more effective programming through county departments of social services (e.g. H.B. 04-1451), caps on the juvenile detention system, and more favorable conditions of confinement. The significant decrease of projected ADP in FY 2007-08 represents only the third year in 16 years that the Division has seen *a decrease* in the commitment ADP. However, each of these decreases has occurred following the Division’s implementation of the Continuum of Care Initiative.

The Division budgeted approximately \$1.8 million in FY 2007-08 for services provided through the Purchase of Contract Placement flexibility footnote under the Continuum of Care Initiative. To date, approximately \$ 1.1 million has been expended. The funding source for the Initiative is funds appropriated to the Purchase of Contracts Placements line item, as flexibility granted by Footnote #86 of the FY 2007-08 Long Bill allows up to 15 percent of the General Fund appropriation to be used for nonresidential services. This request will continue the consistent funding source for this Initiative by transferring \$1,766,266 General Fund (GF) from the Purchase of Contracts Placement appropriation to the Parole Program Services appropriation. This transfer will separate the funding of contract residential placements from the funding of nonresidential services provided to committed youth, and will allow the Division to continue services to support treatment, transition, wraparound, and parole services for youth and families.

The request would adjust the federal Title IV-E funding in the Parole Program Services appropriation to reflect actual projected federal reimbursement for FY 2007-08. This adjustment is necessary to adequately fund services in this line item.

FY 2008-09 Budget Amendment:

The Division is also requesting a budget amendment reduction to the FY 2008-09 November 1, 2007 budget request by \$1,759,946, (\$1,718,738 GF and \$41,208 MCF) for the Division of Youth Corrections (DYC) Purchase of Contracts Placement line item. This request maintains the existing 2007-08 base appropriation level and assumes that

contract placement need will be managed within the existing level of resource and will allow the Division to continue working with the Office of State Planning and Budgeting, (OSPB) and the Joint Budget Committee (JBC) to develop a long-term funding strategy for the Division that enables the continuation of positive systemic changes that improve services to children, youth, and families, including the Continuum of Care Initiative. The long term funding strategy will move away from the historical and out-dated method of funding the Division on average daily population by creating a funding mechanism that provides for developing and implementing an evidence-based, outcome focused system of care.

As discussed above, the Division has been able to produce unprecedented positive outcomes and begin to invest in systemic improvement using existing General Fund resources in a very short period of time. To continue and improve on these results, it is essential that the Division have the financial resources to continue to support the current initiatives and services as well as have the ability to reinvest resources in existing and new systemic improvements. The Division will continue to invest and develop an evidence-based, outcomes-focused system of care that brings together state and local entities and creates effective partnerships to improve outcomes for youth and families. This will in turn provide the state with future opportunities for re-investment in the system of care and produce even better outcomes in the future. The full range of outcomes is comprehensive and substantially contributes to societal goals. Society benefits through reduced juvenile crime rates against persons and property. The families and youth benefit by gaining skills and overcoming problems that enable them to independently care for themselves and contribute to society. The State of Colorado benefits through avoidance of future expenditures on juvenile and adult correctional facilities and services, as well as reduced expenditures on welfare and increased revenues as these youth become job-holding, tax-paying citizens.

Eliminating funding generated through the initial systemic improvements made under the Continuum of Care Initiative through reductions in commitment ADP would potentially negate the gains already achieved and commitment ADP would likely increase as a result. This would essentially terminate the reform efforts and eliminate the Continuum

of Care Initiative and other reinvestment opportunities for improving the system from within. Therefore, even though the December 2007 Legislative Council staff (LCS) population projections indicate that the DYC commitment population will decrease to 1,210 in FY 2008-09 and 1,172 ADP in FY 2009-10, it is critical that resources remain available to sustain the positive changes made.

Consequences if Not Funded:

If the proposed request is not funded, the Purchase of Contract Placements and Parole Program Services appropriations will not reflect the appropriate financing to meet the residential and nonresidential placement, treatment and service needs for committed youth.

Calculations for Request:

| Summary of Purchase of Contract Placements and Continuum of Care Request FY 2007-08 | Total Funds | General Fund | Cash Funds Exempt | Federal Funds | Medicaid Cash Funds | Medicaid General Funds | Net General Fund | FTE |
|---|-------------------|-------------------|-------------------|----------------|---------------------|------------------------|-------------------|------------|
| Total Request | 50,625,398 | 47,919,244 | 1,806,834 | 899,320 | 1,806,834 | 903,417 | 48,822,661 | 0.0 |
| | | | | | | | | |
| Purchase of Contract Placements | 45,489,476 | 43,682,642 | 1,806,834 | \$0 | 1,806,834 | 903,417 | 44,586,059 | 0.0 |
| RCCF Beds | 24,569,130 | 24,569,130 | \$0 | \$0 | \$0 | \$0 | 24,569,130 | 0.0 |
| TRCCF Maintenance | 9,684,749 | 9,684,749 | \$0 | \$0 | \$0 | \$0 | 9,684,749 | 0.0 |
| TRCCF Services | 7,955,712 | 7,955,712 | \$0 | \$0 | \$0 | \$0 | 7,955,712 | 0.0 |
| TRCCF Fee-For-Service | 1,806,834 | \$0 | 1,806,834 | \$0 | 1,806,834 | 903,417 | 903,417 | 0.0 |
| Detention | 1,473,051 | 1,473,051 | \$0 | \$0 | \$0 | \$0 | 1,473,051 | 0.0 |
| | | | | | | | | |
| Parole Program Services | 5,135,922 | 4,236,602 | \$0 | 899,320 | \$0 | \$0 | 4,236,602 | 0.0 |
| Parole Program Services | 3,369,656 | 2,288,824 | \$0 | 1,080,832 | \$0 | \$0 | 2,288,824 | 0.0 |
| Parole Program Services Title IV-E Financing | \$0 | 181,512 | \$0 | (181,512) | \$0 | \$0 | 181,512 | 0.0 |
| Continuum of Care Transfer | 1,766,266 | 1,766,266 | \$0 | \$0 | \$0 | \$0 | 1,766,266 | 0.0 |

| Summary of Purchase of Contract Placements Request FY 08-09 | Total Funds | General Fund | Cash Funds Exempt | Federal Funds | Medicaid Cash Funds | Medicaid General Funds | Net General Fund | FTE |
|---|---------------|---------------|-------------------|---------------|---------------------|------------------------|------------------|-----|
| Total Request | (\$1,759,946) | (\$1,718,738) | (\$41,208) | \$0 | (\$41,208) | (\$20,604) | (\$1,739,342) | 0.0 |
| RCCF Beds | (\$930,405) | (\$930,405) | \$0 | \$0 | \$0 | \$0 | (\$930,405) | 0.0 |
| PRTF Beds | (\$4,126) | \$0 | (\$4,126) | \$0 | (\$4,126) | (\$2,063) | (\$2,063) | 0.0 |
| TRCCF Maintenance | (\$406,350) | (\$406,350) | \$0 | \$0 | \$0 | \$0 | (\$406,350) | 0.0 |
| TRCCF Services | (\$333,820) | (\$333,820) | \$0 | \$0 | \$0 | \$0 | (\$333,820) | 0.0 |
| TRCCF Fee-For-Service | (\$37,082) | \$0 | (\$37,082) | \$0 | (\$37,082) | (\$18,541) | (\$18,541) | 0.0 |
| Detention Beds | (\$48,163) | (\$48,163) | \$0 | \$0 | \$0 | \$0 | (\$48,163) | 0.0 |

Detail calculations are attached at the end of the narrative.

Assumptions for Calculations:

1. The requested funding assumes the composition of placement levels as 65.5% of beds are Residential Child Care Facility (RCCF) level placements; 34.5% are Therapeutic Residential Child Care Facility (TRCCF) level placements; and 0% are Psychiatric Residential Treatment Facility (PRTF) level placements.
2. DYC's total FY 2007-08 contract commitment Average Daily Population (ADP) is projected at 770.2 per December 2007 Legislative Council Staff projections as portrayed in the Table below:

| | |
|-----------------------------------|---------|
| December 2007 LCS Commitment ADP÷ | 1,275 |
| Less Boulder IMPACT ADP÷ | (7.0) |
| Less State Commitment Capacity÷ | (497.8) |
| FY 2007-08 Contract Capacity | (770.2) |

3. The rates used to calculate this request reflect the average weighted rates for RCCF, TRCCF, and contract detention placements for FY 2007-08, including the impact of

negotiated rates resulting from the Division's competitive procurement and negotiations.

4. DYC State-operated facilities are assumed to operate at capacity. The calculations reflect the adjustment of bed capacity at the Lookout Mountain Youth Services Center from 214 to 168 resulting from the closure of the Orientation and Eagles II open barracks-style housing units.

5. Medicaid Calculation:

- TRCCF Medicaid Cost = 265.7 ADP X \$ 18.58 Average Fee-For-Service Reimbursement X 366 Days/Year = \$1,806,834

6. Title IV-E Revenue Estimate:

- Actual Title IV-E Maintenance Revenue (July 07 – December 07) = \$ 332,713
- January-July 2008 Projected Maintenance Revenue = \$ 287,458
Projected Maintenance Revenue is based on the average monthly revenue for the last 12 consecutive months (\$ 574,916 / 12 mo. = \$ 47,909.67/month)
- Title IV-E Admin Revenue is based on actual revenue earned in FY 2006-07 = \$ 529,427.
- Total FY 2007-08 Title IV-E Revenue Estimate (Maintenance and Admin) = \$1,149,598.
- Appropriated Title IV-E:

| | |
|---------------------------------------|---------------------|
| Community Programs Personal Services: | \$ 250,000 |
| Parole Program Services: | <u>\$ 1,080,832</u> |
| Total Title IV-E | \$ 1,330,832 |
| Expected Federal Reimbursement | <u>\$ 1,149,598</u> |
| Title IV-E financing adjustment: | \$ 181,512 |

7. The FY 2008-09 Budget Amendment calculations reduce the change request change amount to zero.

Impact on Other Government Agencies:

The CFE appropriated to the Division of Youth Corrections, Purchase of Contract Placement line item is composed of 50% General Fund and 50% Medicaid Funds.

General fund appropriated in this line item is transferred to the Department of Health Care Policy & Financing for payment of Medicaid claims for Therapeutic Residential Child Care Facility (TRCCF) and Psychiatric Residential Treatment Facility services.

FY 2007-08 Supplemental Medicaid Total: (\$ 971,962)

General Fund: (\$ 485,981)

Medicaid Cash Fund: (\$ 485,981)

FY 2008-09 Budget Amendment Medicaid Total: (\$ 41,208)

General Fund: (\$ 20,604)

Medicaid Cash Fund: (\$ 20,604)

Cost Benefit Analysis:

Not Required – Caseload Driven Request.

Implementation Schedule:

| Task | Month/Year |
|--|------------|
| Ongoing placement of committed youth in appropriate contract residential placement | ALL |

Statutory and Federal Authority:

Section 19-2-410 (1), C.R.S. (2007). Contracts and agreements with public and private agencies. (1) The executive director of the department of human services shall, subject to available appropriations, enter into agreements or contracts deemed necessary and appropriate with any governmental unit or agency or private facility or provider cooperating or willing to cooperate in a program to carry out the purposes of this article. Such contracts or agreements may provide, among other things, for the type of work to be performed at a camp or other facility, for the rate of payment for such work, and for other matters relating to the care and treatment of juveniles.

Performance Measures:

| Performance Measure | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 |
|---|------------|------------|------------|------------|
| | Actual | Actual | Current | Request |
| Improve the social functioning of committed youth by reducing pre-discharge recidivism to at or below 35%.* | 35% | 35% | 35% | 35% |
| | 33.1% | 39.1% | 38.5% | |

*The actual measure for the fiscal year measures the recidivism rate for the cohort of youth discharged two years prior.

| Performance Measure | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 |
|--|------------|------------|------------|------------|
| | Actual | Actual | Current | Request |
| Improve public safety by reducing post-discharge recidivism to at or below 33%.* | 33% | 33% | 33% | 33% |
| | 38% | 37.9% | 35.5% | |

*The actual measure for the fiscal year measures the recidivism rate for the cohort of youth discharged two years prior.

| Performance Measure | FY 2005-06 | FY 2006-07 | FY 2007-08 | FY 2008-09 |
|---|------------|------------|------------|------------|
| | Actual | Actual | Current | Request |
| Provide a safe and secure correctional environment for youth and staff by reducing the overall rate of critical incidents per Average Daily Population (ADP) to at or below 6.5% in residential programs. | 6.5% | 6.5% | 6.5% | 6.5% |
| | 7.5% | 8.0% | | |